

**IDAHO TRANSPORTATION DEPARTMENT****Department Memorandum**

**DATE:** JANUARY 16, 2015

**TO:** MEMBERS OF THE 1<sup>ST</sup> REGULAR SESSION OF THE 63<sup>RD</sup> IDAHO LEGISLATURE

**FROM:** IDAHO TRANSPORTATION BOARD  
Jerry Whitehead, Chairman  
Jim Coleman, Vice Chairman – District 1  
Janice B. Vassar, Member – District 2  
Julie DeLorenzo, Member – District 3  
Jim Kempton, Member – District 4  
Dwight Horsch, Member – District 5  
Lee Gagner, Member – District 6

**RE:** THE CHALLENGE AHEAD; IMPACT OF INFLATION AND REDUCED FEDERAL HIGHWAY TRUST FUND REVENUES ON IDAHO'S SURFACE TRANSPORTATION SYSTEM

By attached Board Resolution #14-51, the Idaho Transportation Board has authorized Idaho Transportation Department staff to provide a PowerPoint presentation to the Idaho House Transportation and Defense and Senate Transportation Committees meeting in joint session that is specifically focused on the precarious nature of future Federal Highway Trust Fund (FHTF) revenues to Idaho, the inflationary effects on FHTF funding to Idaho, and the inflationary effects on revenues from the Idaho Highway Distribution Account. The PowerPoint presentation includes a brief look at projected trends for Idaho bridges and pavement if corrective action is not taken to address revenue issues that are appropriate to the 2014-2018 time period as addressed in the Idaho Transportation Board's 2006 Forum on Transportation Investment, the 2010 Governor's Task Force on Modernizing Transportation Funding in Idaho, and independent studies completed over the past decade, such as the American Society of Civil Engineer's 2012 Report Card for Idaho's infrastructure/roads/bridges.

As noted in the FY14 to FY18 Five-Year Idaho Transportation Investment Plan:

- "MAP-21 (Moving Ahead for Progress in the 21<sup>st</sup> Century) became current federal transportation law on July 6, 2012... MAP-21 reduced Idaho's budget by six percent." Congress must balance revenues in the FHTF and has done so since 2010 by extracting revenue from the Congressional general fund; a situation that has drawn national attention. "If Congress does not balance the Fund, Idaho's future transportation funds may be further reduced."

Continued

- “The law eliminated many programs. There are now only six core funding programs. Funding is based on 2009 levels. A lump sum is provided for each core program.” However, 2014 FHTF revenue was less than the 2009 level and, using 1997 constant dollars, had an effective purchasing power for Idaho surface transportation that goes all the way back to 2001.
- “MAP-21 requires states to set performance targets that support national performance measures and expands safety efforts.” ITD leads the nation in performance measures. Deaths and serious injury crashes on Idaho roads have decreased to the lowest level in over 30 years. Innovations and performance enhancements have increased efficiency extending the buying power of the stagnant revenues.
- “Because current revenue levels do not allow the department to fund expansion projects, the 2014 to 2018 Five-Year Plan contains only preservation and restoration projects. These projects are designed to improve safety, extend the useful life of roads and bridges, and drive economic opportunity.”
- “The condition of Idaho’s state highways and bridges remains stable, but is projected to decline if transportation revenue is not increased. More than one-third (42%) of bridges on the State highway system are more than 50 years old. Many of them were built during the interstate construction era of the 1950s and 1960s. The bridges were designed to last 40-60 years before being replaced. At current funding levels, they will have to last 120 years.”
- “The State Highway System has approximately 12,000 lane miles of paved highways. These pavements were designed to last 20 years, which requires the department to pave an average of 600 lane miles per year to keep the percentage of deficient pavements in Idaho from increasing.” At current funding levels, pavement deficiencies will drop an additional 9% by 2019.
- “The American Association of State Highway and Transportation Officials found that every \$1 spent on highways in good condition saves up to \$14 if the repairs are postponed until the highways are in bad condition.”

Idaho Transportation Board members are mindful of the need for efficiency within the department. Over the past five years, Director Ness, headquarters staff, district staff, and employees at all subordinate levels have met the standard expected by the Board, the Idaho Legislature, county and municipal officials, and the general public. In fact, during the first regular session of the 62<sup>nd</sup> legislature, House Concurrent Resolution No. 8 was approved, recognizing the achievements of the Idaho Transportation Department. Additionally, the number of national awards presented to the department is partial testimony to the quality and efficiency of its dedication to make the Idaho Transportation Department the best in the nation. ITD is currently operating with 110 fewer employees than in FY10 and continues to make our roads safe and an asset to our economy.

Attachment